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Letter dated 9 July 2000 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General

On instructions from my Government, I have the honour to present hereunder Iraq's comments on your report dated 1 June 2000 on the implementation of phase VII under the memorandum of understanding of 20 May 1996 and the oil-for-food programme (S/2000/520).

In our previous letters commenting on your periodic reports on the implementation of the oil-for-food programme, most recently my letter dated 29 November 1999 addressed to you (S/1999/1290), we referred to the inability of the programme to halt the deterioration of the humanitarian situation in Iraq caused by the comprehensive sanctions imposed in 1990. We have also stated our objections to the approach adopted in the preparation of the reports of the Secretary-General on the implementation of the programme, a narrative approach that avoids facing the facts with respect to the continuing deterioration of the humanitarian situation in Iraq more than three years after the programme began and that fails to draw the conclusion that must be inferred from this situation, namely that the programme has failed to halt this deterioration and that there is no alternative to lifting the sanctions. Most regrettably, your most recent report maintains the same flawed approach. Our principal observations on the report are given hereunder.

I. General observations

1. The report lacks an objective approach to evaluating the repercussions of the implementation of the programme on the humanitarian situation in Iraq. It is devoid of any comparative analysis of the present humanitarian situation and the situation as it was prior to the imposition of sanctions that might show the extent of the damage done to Iraqi society by their imposition. The report also ignores the cumulative impact of the sanctions on all the economic, social, cultural, educational and even psychological aspects of life for the Iraqi people and their projected impact on future generations even if they were to be lifted now.

2. The procedure stipulated in paragraph 11 of Security Council resolution 986 (1995), requiring the report to be prepared on the basis of consultations with Iraq, has not been followed. Had the report been prepared in consultation with the Government of Iraq it would not have had such lacunae in terms of its approach and substance.

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3. The report tries to avoid telling the truth about the greatest obstacle to the proper implementation of the programme, namely the fact that the United States and the United Kingdom place holds on contracts on pretexts that are absurd. The report tries to skirt this fact and to avoid any mention of the United States and the United Kingdom. It even attempts at times to create excuses for the holds placed on some contracts, including requests for additional information, seeking to ignore the fact that paragraph 4 (b) (ix) of the procedures for the implementation of the memorandum of understanding adopted by the Secretariat [i.e. the Committee] on 30 January 1998 (S/1998/92, annex) states that:

> "Applications will be screened and reviewed by the Secretariat ... . The Secretariat should circulate all applications that meet the requirements of the Committee's procedures and are consistent with the distribution plan. ..."

This text confirms that all contracts concluded by Iraq and submitted to the Security Council Committee established by resolution 661 (1990) will have been examined and will have met all the requirements of the distribution plan, that their approval should be merely a formality and that they are placed on hold by the United States and the United Kingdom not for technical reasons but for obvious political reasons that have the purpose of inflicting further harm on the people of Iraq.

4. When the financial aspects are reviewed in annex I to the report, the report neglects to give statistics concerning the various programme accounts and to state how disbursements are made from them and in accordance with what rules or what financial improprieties have been reported. It ignores Iraq's repeated requests to the Secretary-General for a comprehensive audit of all the accounts and for Iraq to be apprised of the auditors' reports and of the financial improprieties they have revealed. The report also overlooks the fact that one of the most significant reasons that resources are insufficient is that enormous sums are being withheld for compensation (30 per cent) and that arbitrary amounts are taken for administrative and financial expenses (2.2 per cent) and the account for the defunct Special Commission (8 per cent). There are thus surplus funds in these accounts at a time when medical, cultural and economic infrastructure in Iraq is in constant decline. We should here like to recall the statement made on 1 September 1999 by the former Coordinator of the Humanitarian Programme, Mr. Dennis Halliday, to the effect that payment of compensation should be deferred until such time as we can ascertain that no Iraqi child is dying for lack of food, medicine or potable water.

5. The report neglects to mention the enormous increase in cases of cancer, particularly among children, as a result of the use by the United States and the United Kingdom of depleted-uranium munitions in their military operations against Iraq in 1991.

II. Detailed observations by sector

1. Monitoring of oil spare parts and equipment

It is stated in paragraphs 33 and 34 of the report that full storage capacity at most warehouses has been reached and that this is due, in part, to the shortage of funds to hire technicians to complete installation work or to engage private transport

companies to move items from the warehouses to the locations where they are required.

While we can confirm the build-up of items in warehouses, this is not because there are no funds for transport or to hire technicians but essentially because the items being delivered are not those that are required if the activities for which they and other items were ordered are to be completed. It is a result of contracts being placed on hold and the delayed arrival of items under other contracts that are for key items that would allow the items that are arriving in a proper manner to be put to good use. To transport these items from the warehouse to the work-place would therefore be to no avail and might subject them to damage and loss. The only solution to the problem of items accumulating in warehouses is for the United States and the United Kingdom to lift the holds placed on contracts, particularly those contracts that complement each other, and for the process of the submission and approval of contracts to be expedited.

2. Education

Reference is made in paragraph 38 of the report to difficulties in obtaining escorts for United Nations observers, without specifying what those difficulties are. The evidence indicates, on the other hand, that escorts from the Ministry of Education and the Ministry of Higher Education and Scientific Research attend the requested visits in accordance with an intensive monthly schedule drawn up by the Office of the Coordinator. The report's reference to the large number of visits carried out over the past six months indicates the same. The two ministries have readied a sufficient number of escorts, there are presently no difficulties with the provision of personnel to escort United Nations observers, and it has never happened that the ministries have been late in meeting a request from any party entrusted with the task of observation during the current phase under the memorandum of understanding.

The report of the Geographical Observation Unit that it had encountered difficulties in collecting statistical information on items relating to the memorandum of understanding at the governorate level is imprecise. It appears that the report is here seeking to raise anew an old issue, namely the one that arose when some United Nations observers sought to collect information using a statistical questionnaire of their own design in which information was requested that did not relate to the memorandum of understanding and the Ministry of Education refused to provide them with such information because it was not within their purview and bore no relation to the implementation of the memorandum of understanding in the education sector. Information on items received under the memorandum of understanding and the distribution plans and on everything relating to them, on the other hand, is provided to observers by the Ministry without hindrance.

3. Ministry of Health

(a) Paragraph 46 of the report refers to continuing telecommunications difficulties between central and governorate warehouses and between warehouses and health facilities, without mentioning the reasons these difficulties persist. The Ministry of Health concluded a contract for the purchase of modern exchanges in

order to solve the problem of communications between the Ministry and the health departments and between the main warehouses of the State Enterprise for the Marketing of Drugs in Baghdad and the same departments. The contract in question, however, is still being blocked by the representatives of the United States and the United Kingdom in the Sanctions Committee. The same is true of a contract for the supply of computers, despite the fact that the geographical observers were long ago provided with the information they had requested on the matter. In the past week a letter arrived at the Ministry of Health from the geographical observers requesting further detailed information on the matter of the computers, and the Ministry is now in the course of considering the information requested so as to provide it to them in accordance with procedures.

(b) It is stated in paragraph 47 of the report that patients in public clinics have continued to receive only partial courses of treatment. The Ministry of Health has taken all possible measures to secure drugs for in-patients in all hospitals and clinics during all the phases under the memorandum of understanding, but the complex mechanism of the memorandum of understanding has been an obstacle to the smooth delivery of items to the end-user on schedule.

(c) Paragraph 48 states that the quantities of drugs for the treatment of chronic illnesses that have been ordered are below caseload requirements. This is inexact, inasmuch as the quantities for which contracts are concluded are established in accordance with the real needs of the health departments in all of Iraq's governorates. The complex mechanism under the memorandum of understanding, however, is the major cause of difficulty and delay in the Ministry's importation activities, and this has disrupted importation plans in general.

(d) Paragraph 50 states that the distribution and utilization of ambulances under the programme has greatly restored the ambulance emergency services. This ignores the fact that there is a contract for the importation of ambulances that is still being kept on hold by the representative of the United States. The reason for this is that all ambulances contain an item of equipment that is most essential and must be used in case of need to save a patient's life. We should like to state in this context that the ambulances that have been delivered to Iraq thus far do contain the item indicated and that Iraq's need for ambulances far exceeds the total of the number already received and the number stipulated in the contract still on hold.

4. Water and sanitation

(a) Many contracts in the water and sanitation field are still being kept on hold by the representatives of the United States and the United Kingdom, as indicated in the report. There are 27 contracts on hold from phase IV to phase VII for a total value of 88.9 million dollars, and some of them are for urgently needed items used in the maintenance, repair and refurbishing of plants in this vital humanitarian sector.

Paragraph 54 states that the percentage of contracts concluded that has been approved (63) is low when gauged against the pressing need for inputs for the operation of this sector, and this limits the use that can be made of the equipment in question when it arrives late. Most of the contracts on hold are for the most urgently needed and most essential items. An example is contract No. 10 under phase V, for the supply of equipment for four sanitation stations in the Ghazaliyah area. It was

placed on hold by the United States on 9 January 1999, and despite the provision of full clarification and of all assurances the hold has not been lifted. Similarly, the delivery of quantities of piping for the upgrading of water and sanitation networks was delayed and Iraq has been unable to expedite the supply of this item and other equipment.

(b) Paragraph 55 states that 4.7 per cent of undistributed stocks at central warehouses are buffer stocks. This percentage is very low in comparison to the requirements of the water and sanitation sector, where such stocks should be not less than 15 per cent if preventive and unanticipated maintenance are to be carried out in the optimum manner.

Logistic problems with distribution have not appeared in an acute form in connection with the works carried out by the Municipality of Baghdad because of the limited geographical area involved. Nevertheless, it is basic to solving this problem, which is expected to emerge in marked form in connection with works carried out by the General Establishment for Water and Sanitation because of the wide dispersal of its sites, to secure the essential machinery and means of communication that were ordered in previous phases and have not yet been delivered either because contracts have been placed on hold by the United States and the United Kingdom or because of supply delays.

(c) Paragraph 56 indicates the quantities of chlorine received, the quantities on order under contracts placed on hold by the United States and the quantities held in stock. Because of supply and distribution difficulties the quantities of chlorine indicated in the report are less than the daily requirements of purification plants, and so use is also made of the quantities produced locally in order to make up the shortfall despite the technical and administrative difficulties involved.

It is axiomatic for the functioning of this sector that the stock of chlorine should not fall below the quantity needed over a six-month period. The report indicates, however, that the stock held by the Municipality of Baghdad is sufficient for only 40 days. This indicates the critical nature of the situation and requires the most expeditious measures to be taken to lift the holds placed on the relevant contracts, to urge suppliers to fill orders speedily and to conduct a review for the purpose of simplifying procedures for monitoring consumption.

(d) Paragraph 57 refers to the drought, the current water shortage and the "reduction of water levels in surface water bodies, which constitute 95 per cent of drinking water resources in the centre and south of Iraq". We are of the view that it is essential for the Secretary-General to stress in his reports that the holds placed on the contracts mentioned in the previous paragraph must be lifted, especially since most of them are for the supply of items and equipment that would increase the efficiency of plants and improve the water networks in operation. The same is true of purification equipment and the other items relevant to maintenance operations, inasmuch as the insistence of the United States and the United Kingdom on blocking water and sanitation contracts contributes greatly to increasing the current shortage of water indicated in the report of the Secretary-General.

In addition to the foregoing, and while noting that if there has been an increase of more than 5 per cent in failed random samples taken from networks in a particular city then the water in that city must be considered unsafe, the report cannot possibly

state that there has been an improvement in terms of lowered bacteriological contamination. At best, the situation can be characterized as critical.

5. Agriculture

(a) The report does not, in paragraph 60, address the fact that the holds placed by the representatives of the United States and the United Kingdom in the Sanctions Committee on contracts for veterinary drugs, vaccines and supplies have had consequences for the plans of the poultry and livestock sector. These holds have had an adverse impact on the implementation of the plans of the Ministry of Agriculture in this regard.

(b) In paragraph 61, concerning the drought, the report makes no reference to the impact of the drought on green fodder and natural pasture-lands or to the adverse effect this in turn has had on herds in terms of health, breeding, the production of meat, milk and wool, and so forth. On the other hand, in dealing with the same subject in the context of the three northern governorates (Irbil, Dohuk and Sulaymaniyah) it focuses on this aspect in some detail.

(c) In paragraph 63, the report fails to mention the fact that the representatives of the United States and the United Kingdom in the Sanctions Committee have placed holds on contracts for agricultural spraying equipment of all kinds and that these holds have been in effect throughout the duration of more than three of the phases. We see no point in importing agro-chemicals when the spraying equipment necessary to make use of them is still on hold. At the same time, the same equipment meeting the same specifications was received during the first three phases that the programme was in operation.

6. Higher education

Paragraph 68 of the report makes brief reference to the fact that computers have been placed on hold. Technical educational equipment and computers have priority among imports for the Ministry of Education. The contracts for computers and laboratory sets concluded by the Ministry are subject to delay because of the holds imposed by the representatives of the United States and the United Kingdom in the 661 Committee. It should be noted that the processors received by the Ministry of Education are of the 486 class, the Committee having imposed this as a condition for its approval of the contract with the company for the supply of Pentium-class processors. This paragraph should have contained a reference to this fact.

7. Communications

Paragraph 72 addresses only the delays affecting telecommunications contracts and makes no reference to the impact of these delays on the sectors of the humanitarian programme. It entirely neglects to mention the requirements of the communications sector in terms of equipment, and some observations on the sector are set forth hereunder.

(a) The State Enterprise for Ports has a shortage of handling equipment at the docks and of dredgers to work on navigation channels for vessels operating under the terms of the memorandum of understanding. Four contracts, for fire engines, spare parts for dredgers, tugs and working boats and generators of various capacities, have been placed on hold by the United States and the United Kingdom. Registration with the Office of the Iraq Programme of nine contracts has been delayed, and they are for the purchase of dredgers, seagoing tugs, pilot boats and forklifts.

(b) In the context of passenger transport equipment, two contracts for the purchase of spare parts for Mercedes buses have been placed on hold and the Office of the Iraq Programme has delayed the registration of seven contracts for the purchase of buses and production-related vehicles.

(c) Most contracts for telecommunications equipment, 25 in all, have been placed on hold by the United States and the United Kingdom despite the fact that every clarification has been provided to the Office of the Humanitarian Coordinator and despite the repeated site visits made by Office personnel. This sector is suffering from manifest decline and from shortcomings in all of its activities.

(d) Of 47 railway-related contracts for phases V, VI and VII under the memorandum of understanding only four have been approved. The railways are in a degraded condition, and the service they provide is greatly reduced. Accidents in the sector have begun to be more frequent as a result of the shortage of rails of the required standard and the lack of reliable communications.

(e) The Office of the Iraq Programme has delayed the registration of phase VII contracts relating to surface transportation. They include contracts for trucks suitable for the carriage of the items imported under the memorandum of understanding.

(f) The registration of contracts for forklifts, dump trucks, mobile workshops, generators, meteorological instruments, replacement parts for ships and dedicated fire-fighting vehicles is still awaiting the approval of the Office of the Iraq programme.

I should be grateful if you would have the present letter circulated as a document of the Security Council.

(*Signed*) Saeed H. **Hasan**
Ambassador
Permanent Representative